



JIM GIBBONS
Governor

STATE OF NEVADA
DIVISION OF MORTGAGE LENDING
DEPARTMENT OF BUSINESS AND INDUSTRY

DIANNE CORNWALL
Director

JOSEPH L. WALTUCH
Commissioner

POSTED 12-31-09

NOTICE OF INTENT TO ACT ON A REGULATION

**NOTICE OF PUBLIC HEARING FOR THE AMENDMENT
AND ADOPTION OF A PERMANENT REGULATION OF
THE COMMISSIONER OF MORTGAGE LENDING
NRS 645A
ESCROW AGENCIES AND ESCROW AGENTS
LCB FILE No. R143-08**

The Commissioner of the Division of Mortgage Lending (the "Division") will hold a public hearing at 9:00 a.m. on February 5, 2010, at the Bradley Building, 2501 E. Sahara Avenue, 2nd Floor Conference Room, Las Vegas, NV 89104 and the Department of Business & Industry, 788 Fairview Drive, Hearing Room, Carson City, NV 89701. The purpose of the hearing is to receive comments from all interested persons regarding the amendment and adoption of a permanent regulation that pertains to Chapter 645A of the Nevada Administrative Code ("NAC").

Friday, February 5, 2010, 9:00 a.m.

LAS VEGAS
Bradley Building
2501 E. Sahara Avenue
2nd Floor Conference Room
Las Vegas, NV 89104

CARSON CITY
Department of Business & Industry
788 Fairview Drive, Hearing Room
Carson City, NV 89701

HEARINGS WILL BE VIDEO-CONFERENCED

Information Regarding Adoption

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. **The Need For and Purpose of the Proposed Permanent Regulation:** The purpose of and need for the Proposed Permanent Regulation is to implement the provisions of Assembly Bill No. 513 of the 75th Session of the Nevada Legislature (AB 513), to adopt regulations setting forth standards for the educational prerequisites required for applicants for licensure pursuant to chapter 645A of the Nevada Revised Statutes (“NRS”) as well as adopting prescribed standards for the continuing education of persons licensed pursuant to this chapter. Additionally, Assembly Bills 133 and 486 were enacted during the 75th Session of the Nevada Legislature instituting changes to NRS 645A. Matters related to these bills are also addressed in this Proposed Permanent Regulation.

The Proposed Permanent Regulation also establishes rules of practice for administrative matters brought by the Division. The rules provide specific guidelines regarding the hearing processes and enactment brings the Division into compliance with the provisions of NRS 233B.050(1)(a) which requires each agency to, “Adopt rules of practice, setting forth the nature and requirements of all formal and informal procedures available”.

2. **How to obtain a Copy of Proposed Permanent Regulation:** Authority: NRS 645A.050

The Proposed Permanent Regulation will be available at the Division’s website at <http://www.mld.nv.gov/> and at the Division offices at 400 West King Street, Suite 101, Carson City, NV 89703 and 7220 Bermuda Road, Suite A, Las Vegas, NV 89119 and also at the main public library of any county in which the Division does not have an office. Additionally, the Proposed Permanent Regulation is available through the Legislative website at www.leg.state.nv.us/register.

3. **Statement of Methods Used By Division in Determining Impact on Small Businesses:** The Commissioner has determined through a review of the language of the Proposed Permanent Regulation, and opportunity for comment at the workshop and written submissions, that the Proposed Permanent Regulation does not impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business.

The Division contacted education providers via e-mail and phone, e-mailed the Proposed Permanent Regulation to the education providers and requested that they review and respond to the same in an attempt to identify and/or reduce the impact on small businesses affected by the Proposed Permanent Regulation. No responses or comments were received by the Division related to any potential economic impact to

small businesses.

4. Estimated Economic Effects of the Proposed Permanent Regulation on the Business It Is to Regulate and the Public:

- a. Both adverse and beneficial effects; and**
- b. Both immediate and long-term effects.**

(1) ESTIMATED ECONOMIC EFFECTS ON THE PUBLIC

a. Adverse and beneficial effects

The Proposed Permanent Regulation will have no adverse economic effect on the public. Rather, the requirement for applicants to complete pre-licensing and continuing education related to state and federal law, ethics, deceptive trade practices and general industry knowledge will help ensure the public is dealing with knowledgeable escrow agents for their escrow needs.

b. Both immediate and long-term effects

The Proposed Permanent Regulation will have no adverse economic effect on the public in the immediate future or in the long term. In both cases, the public will benefit by education for licensees and oversight by the Division of instructors and the adequacy of course content.

(2) ESTIMATED ECONOMIC EFFECTS ON REGULATED BUSINESSES

a. Adverse and beneficial effects

The Proposed Permanent Regulation will have an insignificant adverse economic effect on individual escrow agents related to costs associated with completion of the required education. The cost related to completion of the required 15 hours of pre-licensing education is approximately \$150; the 10 hours of continuing education is approximately \$100.

The beneficial effect of the Proposed Permanent Regulation on the industry will be increased professionalism, knowledge and standards within the industry.

b. Both immediate and long-term effects

The immediate and long-term effects are deemed to be the same and consistent with section “a” above.

- 5. Estimated Cost to the Agency:** The Division provided a fiscal note related to AB 513 indicating there would be no impact related to the Bill. However, the Division hired an Education Coordinator in April, 2008 to administer the education programs for all licensees licensed pursuant to statutes regulated by the Division, including NRS 645A, NRS 645B, NRS 645E and NRS 645F. There is an estimated cost to the

Division of approximately \$80,000 to administer the education section within the Division.

6. **Duplication With Other Agencies:** There are no known duplication with other agencies known to the Division at this time. However, chapter 692A of NRS, which is regulated by the State of Nevada Insurance Division, establishes authority over title companies operating in Nevada, including the conduct of providing escrow services. The bills passed during the 75th Session of the Nevada Legislature do not institute changes to NRS 692A and nothing in the Proposed Permanent Regulation affects that chapter.
7. **Federal Law:** There is no known duplication with federal law or regulation known to the Division at this time.
8. **New Fee Established:** There are no new fees related to the Proposed Permanent Regulation.

Comments and Written Submissions

Persons wishing to comment on the proposed action of the Division may appear at the scheduled public hearings or may address their comments, data, views or arguments, in written form to:

Division of Mortgage Lending
7220 Bermuda Road, Suite A
Las Vegas, NV 89119
Attn: Joseph. L. Waltuch, Commissioner

The Division will receive testimony from all interested persons and consider and take action on the Proposed Permanent Regulation and proposed amendments and/or additions and deletions to Chapter 645A of the NAC pertaining to escrow agencies and escrow agents. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions. Written submissions must be received by the Division by Friday, January 29, 2010.

NOTICE: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to participate. If special arrangements are necessary, please call Supervisory Examiner Sheila Walther at (775) 684-7055 as soon as possible so that suitable arrangements can be conveniently made.

Copies of Proposed Permanent Regulation

A copy of this notice and the Proposed Permanent Regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the Proposed Permanent Regulation will be available on the Division's Web site at <http://www.mld.nv.gov/> and at the following Division offices:

Division of Mortgage Lending
400 W. King Street, Ste. 101
Carson City, NV 89703

Division of Mortgage Lending
7220 Bermuda Road, Suite A
Las Vegas, NV 89119

In all counties in which an office of the Division is not maintained, copies of the notice and the Proposed Permanent Regulation will be available at the main public library, for inspection and copying by members of the public during business hours. The text of the Proposed Permanent Regulation will include the entire text of any section of the Nevada Administrative Code which is proposed for amendment or repeal. This notice and the text of the Proposed Permanent Regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at:

<http://www.leg.state.nv.us> and directly at
www.leg.state.nv.us/register

Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

This notice of public hearing has been posted at the following locations on December 31, 2009:

Division of Mortgage Lending
400 W. King Street, Suite 101
Carson City, NV 89701

Division of Mortgage Lending
7220 Bermuda Road, Suite A
Las Vegas, NV 89119

Elko Conference Center
700 Moren Way (Silver Room)
Elko, Nevada 89801

State Library
100 Stewart Street
Carson City, Nevada 89701

Churchill County Library
553 South Maine Street
Fallon, Nevada 89406

Douglas County Library
1625 Library Lane
Minden, Nevada 89423

Elko County Library
720 Court Street
Elko, Nevada 89801

Goldfield Public Library
Fourth & Crook Street
Goldfield, Nevada 89013

Eureka Branch Library
10190 Monroe Street
Eureka, Nevada 89316

Humboldt County Library
85 East 5th Street
Winnemucca, Nevada 89445

Lincoln County Library
PO Box 330
Pioche, Nevada 89043

Storey County Library
95 South R Street
Virginia City, Nevada 89440

Lyon County Library
20 Nevin Way
Yerington, Nevada 89447

Mineral County Library
First & A Street
Hawthorne, Nevada 89415

Tonopah Public Library
171 Central Street
Tonopah, Nevada 89049

Pershing County Library
PO Box 781
Lovelock, Nevada 89419

Washoe County Library
301 South Center Street
Reno, Nevada 89505

White Pine County Library
950 Campton Street
Ely, Nevada 89301

Battle Mountain Library
625 Broad Street
Battle Mountain, Nevada 89820